

**CALENDAR ITEM
C103**

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S 2

04/23/15
PRC 8337.2
C. Hudson

REVISION OF RENT

LESSEE:

Geysers Power Company, LLC
10350 Socrates Mine Road
Middletown, CA 95461

AREA, LAND TYPE, AND LOCATION:

0.878 acre, more or less, of state Indemnity School Land within a portion of Section 33, Township 11 North, Range 8 West, MDM, near the city of Healdsburg, Sonoma County

AUTHORIZED USE:

Continued use and maintenance of an existing 30-inch diameter non-potable water pipeline.

LEASE TERM:

25 years, beginning July 1, 2001.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that the rent be revised from \$1,020 per year to \$2,550 per year, effective July 1, 2015.

BACKGROUND:

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the state was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

CALENDAR ITEM NO. **C103** (CONT'D)

OTHER PERTINENT INFORMATION:

1. On September 17, 2001, the Commission authorized a General Lease – Right-of-Way Use with Geysers Power Company, LLC. The lease will expire on June 30, 2026.
2. The non-potable water pipeline is used by the Lessee in conjunction with its Geysers power plant to transport treated wastewater. Geysers Power Company, LLC inspects its non-potable water pipeline annually.
3. Staff conducted the rent review called for in the lease and recommends the rent be increased to \$2,550 per year, effective July 1, 2015.
4. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by the Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

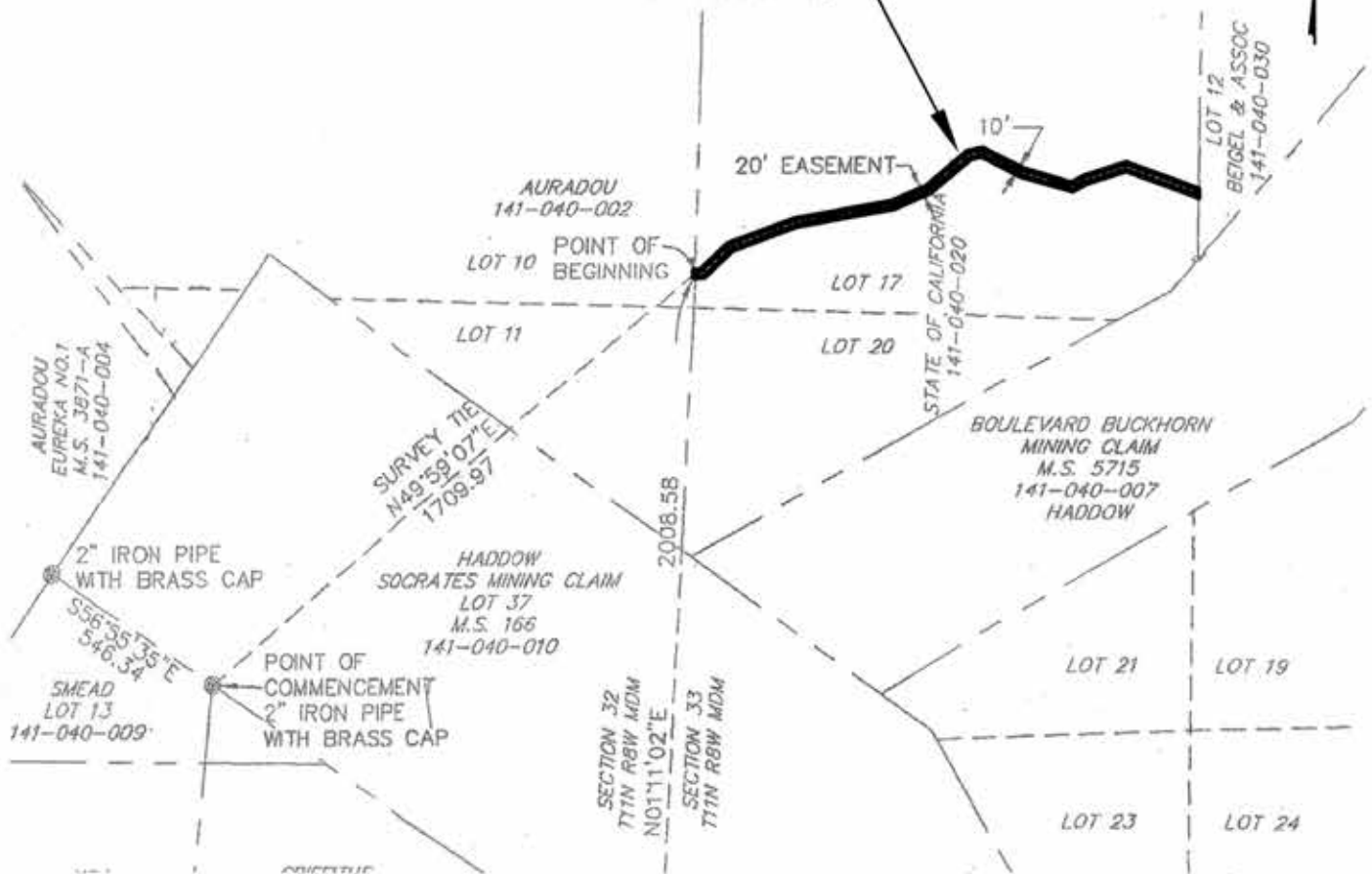
AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8337.2 from \$1,020 per year to \$2,550 per year, effective July 1, 2015.

NO SCALE

SITE

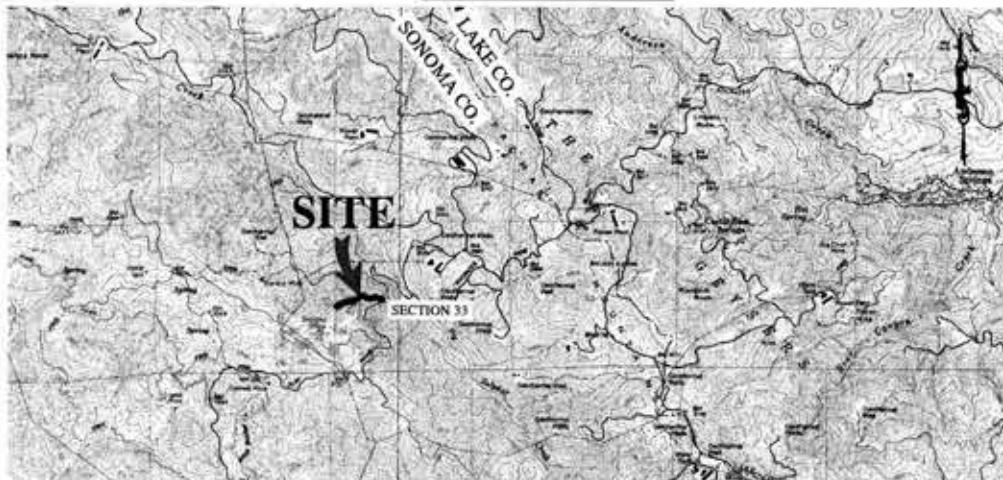
LEASE PARCEL
(30 INCH NON-POTABLE
WATER PIPELINE)



SECTION 33, T11N, R8W, MDM, NEAR HEALDSBURG

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 8337.2
GEYSERS POWER CO., LLC
APN 141-040-020
GENERAL LEASE -
RIGHT-OF-WAY USE
SONOMA COUNTY



TS 11/17/14